DOCUMENT RESUME

ED 428 813 JC 990 175

AUTHOR Barber, Jerry
TITLE Onondaga Community College (NY) Tuition Assistance Program (TAP), 1995-1998. Audit by State Comptroller. Report 98-T-7.
INSTITUTION New York State Office of the Comptroller, Albany. Div. of Management Audit.
PUB DATE 1999-04-27
NOTE 7p.
PUB TYPE Reports - Descriptive (141)
EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Accountability; *Audits (Verification); Community Colleges; *Compliance (Legal); *Educational Finance; Educational Policy; Eligibility; *Financial Audits; Financial Support; Institutional Evaluation; *Student Financial Aid; *Tuition; Two Year Colleges

ABSTRACT

This document reports on the State Comptroller's audit of records and procedures used in administering the Tuition Assistance Program (TAP) at Onondaga Community College (New York). Onondaga certified 5,543 students for 11,723 TAP awards totaling $8,730,058 during the 1995-96 through 1997-98 academic years. The State Comptroller reviewed a sample of 200 randomly selected awards totaling $147,019 for the three-year period ending June 30, 1998. The college was found to be in compliance with the laws, rules and regulations governing TAP, with the exception of eight awards totaling $6,350 that were paid on behalf of students who were not eligible for these awards. Disallowances detected by the audit include: (1) four students not in good academic standing received a collective $3,055; (2) three students not meeting the residency requirement received a total of $2,387; and (3) $908 in TAP funds was not posted to one student's account. The State Comptroller finds that Onondaga Community College complies with the State Education Department regulations as they pertain to good academic standing, and recommends that HESC recover the total $6,350 plus applicable interest from Onondaga, and ensure that Onondaga Community College officials certify only eligible New York State residents. (AS)

**********
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
**********

ED 428 813

# Onondaga Community College (NY) Tuition Assistance Program (TAP) 1995-1998. Audit by State Comptroller

Jerry Barber

New York State Comptroller
Division of Management Audit

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
This document has been reproduced as received from the person or organization originating it.
Minor changes have been made to improve reproduction quality.
Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

R. Malan

1

JC 990 175

BEST COPY AVAILABLE

H. CARL McCALL
STATE COMPTROLLER

A.E. SMITH STATE OFFICE BUILDING
ALBANY, NEW YORK 12236

STATE OF NEW YORK
**OFFICE OF THE STATE COMPTROLLER**

April 27, 1999

Mr. Richard Mills
Commissioner
State Education Department
Education Building
Albany, NY 12234

Mr. Robert J. Maurer
President
Higher Education Services Corporation
99 Washington Avenue
Albany, NY 12255

Re: Onondaga Community College
Report 98-T-7

Dear Mr. Mills and Mr. Maurer:

According to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution, Article II, Section 8 of the State Finance Law and a Memorandum of Agreement dated December 1, 1989 involving the State Comptroller, the Commissioner of Education, the President of the Higher Education Services Corporation (HESC), and the Director of the Budget, we audited the records and procedures used in administering the Tuition Assistance Program (TAP) at Onondaga Community College (Onondaga) for the 1995-96 through 1997-98 academic years.

**Summary Conclusions**

In accordance with Section 665(3)(b) of the Education Law (Law), we tested the accuracy of Onondaga's TAP certifications for the three years ended June 30, 1998 using a sample of 200 randomly selected awards of the 11,723 awards that Onondaga certified. We found that Onondaga was generally in compliance with the laws, rules and regulations governing TAP with the exception of eight awards totaling $6,350 that were paid on behalf of students who were not eligible for these awards. Therefore, we recommend that HESC recover the total $6,350, plus applicable interest from Onondaga.

BEST COPY AVAILABLE

## Background

Onondaga, located in Syracuse, is one of the 30 two-year degree granting community colleges in the State University of New York system. Onondaga offers Associate of Arts, Associate of Science and Associate of Applied Science degrees and certificates in a number of programs that are approved by the State Education Department (SED) for tuition assistance eligibility.

TAP is the largest of the various student grant and scholarship programs administered by HESC. It is an entitlement program designed to provide tuition aid to eligible full-time students who are enrolled in a variety of programs.

Draft copies of this report were provided to State University of New York (SUNY) System Administration, HESC, SED and Onondaga officials for their review and comment. These officials are in agreement with the report's findings and conclusions and we have considered their comments in preparing this report.

## Audit Scope

The objective of our financial and compliance audit was to determine whether Onondaga management complied with the Law and the Commissioner of Education's Rules and Regulations (Regulations) for certifying students as eligible for TAP awards. The scope of our audit did not include reviewing the records and procedures of HESC as they relate to determining the amount of the awards.

According to HESC's records, Onondaga certified 5,543 students for 11,723 TAP awards totaling $8,730,058 during the 1995-96 through 1997-98 academic years. We selected and reviewed a statistical sample of 200 awards totaling $147,019 for the three-year period ended June 30, 1998. We also reviewed other awards that came to our attention during the audit.

We did our audit according to generally accepted government auditing standards. Such standards require that we plan and do our audit to adequately assess those operations of Onondaga which are included within our audit scope. These standards also require that we review and report on Onondaga's internal control system and its compliance with those laws, rules and regulations that are relevant to Onondaga's operations and are included in our audit scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operating records and applying such other auditing procedures as we consider necessary. An audit also includes assessing the estimates, judgments and decisions made by management. We believe that our audit provides a reasonable basis for our findings, conclusions and recommendations.

In planning and doing our audit of Onondaga, we reviewed management's internal control system. Our audit was limited to a preliminary review of the internal control system to obtain an

understanding of the environment and the flow of transactions through the accounting system and other systems supporting the claims for student financial aid.

Onondaga management is responsible for complying with the Law and the Regulations. In connection with our audit, we performed tests of Onondaga's compliance with certain provisions of the Law and the Regulations. Our objective in performing these tests was to obtain reasonable assurance that the TAP awards Onondaga received were for eligible students. Our objective was not to provide an opinion on Onondaga's overall compliance with the Law and the Regulations.

The results of our tests indicate that, with respect to the items tested, Onondaga was generally in compliance with the provisions of the Law and the Regulations relating to students' TAP eligibility, except as noted in the following section of this report.

**Audit Disallowances**

The following table summarizes the disallowances that resulted from our audit.

| Reason for Disallowance | Number of Awards | Amount |
|---|---|---|
| Students Not in Good Academic Standing | 4 | $3,055 |
| Students Not Meeting Residency Requirement | 3 | 2,387 |
| TAP Not Posted to Student's Account | 1 | 908 |
| Total Disallowances | 8 | $6,350 |

The various types of disallowances are discussed in the following sections of this report. The students' names and related information were provided to Onondaga officials separately.

## Students Not in Good Academic Standing

*Criteria* - Section 665 of the Law requires that students remain in good academic standing to maintain eligibility for State financial assistance. Section 145-2.2 of the Regulations states that to remain in good academic standing a student must (1) maintain satisfactory academic progress toward completion of a program and (2) pursue the program of study in which he or she is enrolled. A student is pursuing the approved program of study if, during each term of study for which an award is received, the student receives a passing or failing grade in a predetermined percentage of the minimum full-time course load based on the student's TAP payment level.

When a student fails to maintain good academic standing, the student loses prospective TAP eligibility. Students can regain such standing by making up the deficiencies at their own

BEST COPY AVAILABLE

expense, obtaining a waiver, remaining out of school for at least one calendar year, or transferring to another institution.

*Audit Determination* - We identified four awards totaling $3,055 paid on behalf of four students who failed to maintain good academic standing and who were, therefore, not eligible to receive these awards. These awards were paid to students who did not maintain pursuit of program. These students did not pass or fail the required number of credits to maintain eligibility for the awards they received.

*School Officials' Position* - Onondaga officials agree with these findings.

**Students Not Meeting Residency Requirement**

*Criteria* - Section 661 of the Law states ". . . an applicant for an award at the undergraduate level of study must . . . have been a legal resident of the state for at least one year immediately preceding the beginning of the semester, quarter or term of attendance for which application for assistance is made . . . . " Section 665-a of the Law requires that schools complete an agreement to participate in TAP. Section 3(c) of this agreement states that an institution shall not certify an applicant in the event that the institution has information reasonably indicating that the applicant is not eligible for TAP, including but not limited to information which indicates the student may not be a citizen, or legal resident of the State for one year. Further, HESC's Manual on Programs and Procedures stipulates that institutions should not certify eligibility for State awards for any student whose New York State residency is suspect.

*Audit Determination* - We found that Onondaga officials certified three awards totaling $2,387 for two students who did not meet the residency requirement. Both of these students graduated from high schools outside New York State. We found no documentation in the students' files indicating that the students resided in New York for one year prior to receiving TAP at Onondaga.

*School Officials' Position* - Onondaga officials agreed with these findings. However, they stated that one of these students, who had graduated from a high school in Vermont, was classified by HESC as financially dependent on her parents, who resided in New York.

*Auditors' Comments* - According to HESC officials, a student must have resided in New York for one year prior to receiving TAP to be eligible for the award, even if the student is classified as a dependent of a resident parent, for financial purposes.

**TAP Not Posted to Student's Account**

*Criteria* - Section 2205.3(d) of the Regulations requires that each student's account be credited within seven days after the receipt of a finalized award.

*Audit Determination* - We identified one TAP award totaling $908 that was paid to Onondaga, but was not posted to the student's account.

*School Officials' Position* - Onondaga officials agree with this finding.

**Recommendations to the Higher Education Services Corporation**

1. *Recover the $6,350 plus applicable interest from Onondaga Community College for its incorrect TAP certifications.*

2. *Ensure that Onondaga Community College officials certify only eligible New York State residents.*

**Recommendation to the State Education Department**

*Ensure that Onondaga Community College complies with the SED regulations as they pertain to good academic standing.*

Major contributors to this report were Frank Russo, Kenneth I. Shulman, Laura Smith, Judith Middelkoop, Michael Fillipone and Donald Collins.

We wish to express our appreciation to the management and staff of Onondaga Community College for the courtesies and cooperation extended to our auditors during this audit.

Very truly yours,

Jerry Barber

Jerry Barber
Audit Director

cc: Dr. John Ryan
Neal A. Raisman, Ph.D.
John Murphy
Charles Conaway

BEST COPY AVAILABLE